M-1. 52.217-4 EVALUATION OF OPTIONS EXERCISED AT TIME OF CONTRACT AWARD (JUN 1988)
(Reference 17.208)

M-2. 52.217-5 EVALUATION OF OPTIONS (JUL 1990)
(Reference 17.208)

M-3. 52.232-15 PROGRESS PAYMENTS NOT INCLUDED (APR 1984)
(Reference 32.502-3)

M-4. BASIS OF EVALUATION

M-4.1. General

M-4.1.1. This is a competitive source selection and will be conducted in accordance with the Federal Acquisition Regulation (FAR) and applicable supplements. The Government has established a Source Selection Evaluation Board (SSEB) to evaluate proposals submitted in response to this Request for Proposal (RFP). Proposals will be evaluated using the evaluation factors and subfactors identified below. The source selected from this process will be based on the responsible offeror with the lowest priced, technically acceptable proposal.

M-4.1.2. Offerors should be aware that award will be made on the basis of the lowest evaluated price of proposals which meets the technical evaluation criteria.

M-4.1.3. An unacceptable evaluation in any subfactor will result in a FAIL rating for that subfactor. A FAIL rating at the subfactor level will result in the offeror's proposal being technically unacceptable and unawardable.

M-4.1.4. Proposals which are unrealistic in terms of technical capability or are unreasonably low priced will be deemed reflective of an inherent lack of technical competence or indicative of a failure to comprehend the proposed contractual requirements and will be rejected.

M-4.1.5. The Government will evaluate the feasibility of performing all RFP requirements within the total price proposed.

M-5. EVALUATION FACTORS

M-5.1 Evaluation factors and subfactors are:

M-5.1.1.   Factor 1 – Technical Merit
        Subfactor 1 – Performance/Target Health Care Cost Audits
        Subfactor 2 – Rebuttals
        Subfactor 3 – Management
        Subfactor 4 – Quality Control
        Subfactor 5 – Transitions
M-5.1.2.   Factor 2 – Price

M-6. EVALUATION OF FACTOR 1, TECHNICAL MERIT

Each technical proposal will be evaluated according to the evaluation factors and subfactors stated herein. Each technical proposal will be evaluated against evaluation criteria and a PASS/FAIL rating will be assigned. Failure to address any of the specified technical subfactor requirements will be assigned a "FAIL" rating. Each subfactor will be evaluated. Failure to address or demonstrate the ability to meet the requirements of a subfactor will result in a "FAIL" rating for that subfactor. Proposals will be evaluated on the basis of whether an offer's proposed procedures, methods, and delivery of services meet the

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Government's minimum requirement. Each proposal will be evaluated separately and will be evaluated solely on its own merits.

M-6.1.   Subfactor 1 - Performance/Target Health Care Cost Audits

M-6.1.1.   Payment Error Determinations. The proposal will be evaluated as to the technical adequacy of the proposed functions and planned operations to:

M-6.1.1.1.   Evaluate MCS, HSS, and TDEFIC contractor payment determinations.

M-6.1.1.2.   Ensure all payment errors and TMA error codes are annotated on the HADR or TADR.

M-6.1.1.3.   Ensure all errors assessed (includes the TMA error codes, dollar amount of the payment error, and the explanation of the reason assessed) are input into the HCSR or TED Audit Systems.

M-6.1.1.4.   Achieve timely completion of the quarterly and annual payment error audits within all established standards and guidelines.

M-6.1.1.5.   The proposal will be evaluated as to the technical adequacy to evaluate MCS, HSS, and TDEFIC contractor payment actions by comparing payment actions indicated on the HADR or TADR with TMA requirements to ensure that pertinent payment policies and instructions are correctly applied.

M-6.1.2.   Occurrence Error Determinations. The proposal will be evaluated as to the technical adequacy of the proposed procedures to meet all requirements to:

M-6.1.2.1.   Evaluate MCS, HSS and TDEFIC contractor payment record coding determinations.

M-6.1.2.2.   Evaluate MCS, HSS and TDEFIC contractor processing actions by comparing payment record coding actions indicated on the HADR or TADR with TMA requirements.

M-6.1.2.3.   Ensure all errors (numbered fields from the HADR or TADR and TMA error codes) are annotated on the HADR or TADR.

M-6.1.2.4.   Ensure all errors assessed (includes the TMA error codes, the numbered fields from the HADR or TADR, and the explanation of the reason assessed) are input into the HCSR or TED Audit Systems.

M-6.1.2.5.   Achieve timely completion of the quarterly occurrence error audits within all established standards and guidelines.

M-6.1.3.   Receipt and Control. The proposal will be evaluated as to the technical adequacy of the proposed procedures to satisfactorily meet all requirements to:

M-6.1.3.1.   Provide a system for receipt and control of audit claims which would enable retrieval of these documents prior to, during or after completion of the audit and entire rebuttal process.

M-6.1.3.2.   Provide procedures to assure the confidentiality of all beneficiary and provider information is protected in accordance with the provisions of the Privacy Act, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and TMA instructions.

M-6.2.   Subfactor 2 - Rebuttals. The proposal will be evaluated as to the technical adequacy of the proposed procedures to satisfactorily meet all requirements to:

M-6.2.1.   Respond to MCS, HSS and TDEFIC contractor rebuttals and 2nd rebuttals of audit findings including proposed procedures to provide a self-explanatory written response to each issue addressed by the MCS, HSS, and TDEFIC contractor and to state whether the error is to remain or to be removed and provide the proposed rebuttal response format.

M-6.2.2.   Establish at least two supervisory levels of review for each rebuttal and 2nd rebuttal. Ensure that all 2nd rebuttal reviews are performed by someone

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who has not previously reviewed the audit claim and concurrence of the rebuttal process. Establish procedures to ensure that a 100% quality review of 2nd rebuttal responses are completed at the supervisory level.

M-6.2.3. Remove or assess, using the HCSR and TED Audit Systems, additional errors as a result of the rebuttal process.

M-6.2.4. Achieve timely completion of the rebuttal and 2nd rebuttal responses and reports within all established standards and guidelines.

M-6.2.5. Remove subsequent errors found by TMA and to issue a timely revised report within the established standards and guidelines.

M-6.2.6. Analysis of Errors. The proposal will be evaluated as to the technical adequacy of the proposed procedures to satisfactorily meet all requirements to:

M-6.2.6.1. Identify recurring occurrence and payment errors and high dollar payment error findings.

M-6.2.6.2. Provide a written analysis of findings to TMA within all established standards and guidelines.

M-6.2.6.3. Monitor errors identified by TMA during the audit process.

M-6.3. Subfactor 3 - Management. The proposal will be evaluated as to the offeror's proposed organization and management approach to administer the reporting and staffing requirements. Evaluation will be on the basis of acquisition of resources and staffing to meet all commitments. The evaluation will evaluate the following:

M-6.3.1. Management Controls

M-6.3.1.1. Proposed procedures and schedules to implement routine program changes, including proposed procedures to accommodate various implementation dates by MCS, HSS and TDEFIC contractors will be evaluated.

M-6.3.1.2. The proposed desk procedures basic outline and procedures for timely development of auditing guidelines, and proposed plan to ensure the availability of reference material within the established guidelines will be evaluated.

M-6.3.1.3. Proposed procedures to have readily available hardware and software to group and price inpatient hospital claims processed under the TRICARE Diagnostic Related Groups (DRGs)will be evaluated.

M-6.3.1.4. Proposed procedures to maintain and update the TRICARE Diagnostic Related Groups (DRGs) hardware and software will be evaluated.

M-6.3.1.5. Proposed procedures to access DEERS will be evaluated.

M-6.3.1.6. Proposed plans to access on-line the TMA pricing files, provider files and DEERS Catastrophic Cap and Deductible Database to verify accuracy of claim payments and provider data will be evaluated.

M-6.3.1.7. Proposed plans to access the TMA HCSR and TED Audit Systems will be evaluated.

M-6.3.1.8. Proposed plan to have readily available hardware and TRICARE ClaimCheck (TCC) software to verify rebundling procedures will be evaluated.

M-6.3.1.9. Proposed procedures to download data cartridges containing audit documentation submitted by the MCS, HSS and TDEFIC contractors and ensure this data is retrievable will be evaluated.

M-6.3.1.10. Proposed procedures to download ambulatory surgery pricing to ensure its availability to audit staff will be evaluated.

M-6.3.1.11. Proposed ADP plan, hardware and software to be used (including appointment of a Security Administrator) will be evaluated.

M-6.3.2. Records Security and Confidentiality

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M-6.3.2.1. Proposed security procedures to ensure that the obtaining, maintaining and using sensitive and personal information is in accordance with controlling laws, regulations, DoD Policy and contract requirements will be evaluated.

M-6.3.2.2. The proposed security requirements for information systems/networks to ensure these are operated in accordance with controlling laws, regulations and DoD Policy on confidentiality and privacy of individually identifiable information will be evaluated. The offeror shall provide samples of proposed training of workforce members for the proper handling and safeguarding of sensitive personal information.

M-6.3.3. Information Technology

M-6.3.3.1. The proposed procedures to ensure that contractor information systems/networks involved in the operation of systems of records in support of the DoD Military Health System is in accordance with controlling laws, regulations and DoD policy will be evaluated.

M-6.3.3.2. The proposed procedures to ensure that the contractor's information systems/networks shall be safeguarded through the use of a mixture of administrative, procedural, physical, communications, emanations, computer and personnel security measures that together achieve the same requisite level of security established for DoD information systems/networks for the protection of "Sensitive Information" and/or "Controlled Unclassified Information" will be evaluated.

M-6.3.3.3. The proposed procedures to ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA)will be evaluated.

M-6.3.3.4. The proposed procedures to ensure the contractor IS/networks comply with the Certification and Accreditation (C&A) process established under the DoD Information Technology Security Certification and Accreditation Process (DITSCAP) for safeguarding "Sensitive Information" will be evaluated.

M-6.3.3.5. The offeror's discussed IS/network security controls to include procedures to have documented security components, and proposed procedures to complete testing of the required security controls will be evaluated. In addition, the proposed procedures to ensure accurate DITSCAP documentation is available for review and procedures to ensure that IS/networks comply with the requirements for Information Assurance Vulnerability Management (IAVM)will be evaluated.

M-6.3.3.6. The proposed procedures for ensuring that required documentation necessary to receive an Interim Approval to Operate (IATO) is received by the Contracting Officer within 30 days following contract award will be evaluated.

M-6.3.3.7. The proposed procedures to employ physical security safeguards for IS/Networks to prevent unauthorized access, disclosure, modification, destruction, use, etc. of "Sensitive Information" and to otherwise protect the confidentiality and ensure the authorized us of this information will be evaluated.

M-6.3.4. Information Systems (IS)/Networks Personnel Security

M-6.3.4.1. The proposed procedures to ensure that all requirements of Personnel Security are met will be evaluated.

M-6.3.5. Management Activities, Reports and Staffing

M-6.3.5.1. The proposed procedures to ensure the weekly report contains all required information and provide the weekly status report within the established schedules and guidelines will be evaluated.

M-6.3.5.2. The adequacy of the proposed staffing plan to ensure contractual requirements are met will be evaluated.

M-6.3.5.3. The proposed procedures to monitor, report and analyze special

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claims processing or benefit issues will be evaluated.

M-6.3.5.4. The proposed procedures to establish an initial and on-going staff training program to provide instruction in all areas will be evaluated.

M-6.3.5.5. The proposed procedures to provide and maintain an automated facsimile transceiver will be evaluated.

M-6.3.5.6. The proposed procedures to provide timely responses to inquiries regarding audit and rebuttal findings/status in accordance with established schedules and guidelines will be evaluated.

M-6.3.5.7. The proposed procedures to handle multiple audits simultaneously will be evaluated.

M-6.3.6. Disposition of Documents. The proposed procedures to satisfactorily meet all requirements to store and maintain all documents through each step of the audit/rebuttal/ second rebuttal/TMA review process will be evaluated.

M-6.3.6.1. The proposed procedures to ensure that all documents, when the complete process is finalized, are properly disposed of by shredding will be evaluated.

M-6.3.6.2. Proposed procedures to ensure that all pertinent documentation is maintained and then microfilmed or imaged and forwarded to TMA in accordance with the established standards and guidelines will be evaluated.

M-6.4. Subfactor 4 – Quality Control. The proposal will be evaluated as to the technical adequacy of the proposed procedures to satisfactorily meet all the requirements to:

M-6.4.1. Establish procedures for conducting an ongoing quality review program.

M-6.4.2. Identify and correct any problem situation with audit procedures.

M-6.4.3. Establish a schedule to ensure the frequency and timing of the quality reviews are in accordance with established schedules and guidelines.

M-6.4.4. Ensure results of the quality review are reflected in the audit reports.

M-6.5. Subfactor 5 – Transitions

M-6.5.1. Phase In: The proposal will be evaluated as to the offeror's proposed startup transition plans on the basis of timely acquisition of resources and staffing to meet all commitments including the audit system benchmark test. The proposed startup and transition plan will be evaluated as follows:

M-6.5.1.1. On the adequacy of an overall phase-in plan which integrates the transition for each task so that transition occurs in a timely and effective manner and key milestones are established and met.

M-6.5.1.2. On the adequacy of the proposed tasks, schedules, and key milestones related to recruitment, training and assignment of all personnel (including subcontractors) and acquisition, installation, and deployment of all facilities, equipment, and systems necessary to carry out all functions.

M-6.5.2. Phase Out: On the adequacy of the overall phase-out plan with a proposed schedule of significant phase-out activities to ensure compliance with the requirements.

M-7. EVALUATION OF FACTOR 2, PRICE

M-7.1. All proposed prices will be evaluated for reasonableness and for unbalanced pricing. Proposed prices will be evaluated for contract award purposes on a total price basis. The proposal will be evaluated for compliance with instructions, conditions, and notices contained in Section L.

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M-7.2. The total evaluated price will consist of the proposed fixed total price for the transition-in period, the proposed fixed unit price for the claims audit services applied to the respective estimated quantity established by the Government in Section B for the base period and each option period, the firm fixed price for the DITSCAP CLIN for the base period and each of the option periods, and the highest proposed fixed total phase-out price.

M-7.3. The supporting information submitted for the DITSCAP CLIN will be used in performing a cost realism analysis. Cost realism will be used to determine if the proposed costs are realistic for the work to be performed; reflect a clear understanding of the requirement; and, are consistent with the methods of performance and materials described in the technical proposal in order to determine proposal risk.

M-7.4. Transition: Phase In and Benchmarking. The proposed prices will be evaluated for price reasonableness.

M-7.5. Transition: Phase Out. The proposed prices will be evaluated for price reasonableness.